

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF LIBERTY

UNION COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
10/01/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cheryl Begley	01-01-08 to 12-31-15
President of the Town Council	Chris Rosenberger Ross Keasling	01-01-11 to 08-19-12 08-20-12 to 12-31-13
Superintendent of Water Utility	Fielding Tipton	01-01-11 to 12-31-13
Superintendent of Wastewater Utility	Matt Reuss	01-01-11 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LIBERTY, UNION COUNTY, INDIANA

We have examined the accompanying financial statement of the Town of Liberty (Town), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the period of January 1, 2011 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

August 26, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Town. The financial statement and notes are presented as intended by the Town.

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TOWN OF LIBERTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 640,119	\$ 679,183	\$ 590,297	\$ 729,005	\$ 671,810	\$ 639,744	\$ 761,071
Motor Vehicle Highway	232,354	183,312	170,098	245,568	185,661	180,993	250,236
Local Road And Street	8,817	6,844	-	15,661	6,936	-	22,597
Housing Grant	-	-	-	-	232,531	232,531	-
Riverboat	103,715	12,898	-	116,613	12,635	-	129,248
Rainy Day	69,556	-	-	69,556	-	-	69,556
Levy Excess	1,549	-	1,549	-	-	-	-
Cumulative Capital Improvement Cigarette Tax	33,337	5,919	-	39,256	5,657	-	44,913
Cumulative Capital Development	258,094	11,670	-	269,764	10,616	857	279,523
Cumulative Fire	129,021	9,230	-	138,251	10,789	-	149,040
Co Economic Development Income Tax	557,854	57,001	10,423	604,432	64,215	10,841	657,806
Donations	1,530	5,342	3,921	2,951	6,725	6,379	3,297
Township Fire	80,166	93,453	72,724	100,895	83,269	48,083	136,081
Continuing Education	4,179	1,414	14	5,579	1,484	80	6,983
Payroll	1,777	532,334	531,422	2,689	547,261	546,175	3,775
Wastewater Utility - Operating	90,341	794,682	805,434	79,589	788,513	687,689	180,413
Wastewater Utility - Bond And Interest	269,512	370,282	549,799	89,995	369,210	365,220	93,985
Wastewater Utility - Depreciation/ Improve	100,684	16,663	53,791	63,556	1,200	8,389	56,367
Wastewater Utility - Debt Reserve	293,232	74,078	-	367,310	3,081	-	370,391
Water Utility - Operating	112,760	379,883	367,055	125,588	372,154	351,177	146,565
Water Utility - Bond And Interest	85,837	99,002	174,684	10,155	98,340	98,217	10,278
Water Utility - Depreciation/ Improve	354,825	34,203	30,769	358,259	32,440	17,423	373,276
Water Utility - Customer Deposit	105,416	12,918	10,598	107,736	30,611	28,327	110,020
Water Utility - Debt Reserve	99,048	2	-	99,050	-	-	99,050
Totals	<u>\$ 3,633,723</u>	<u>\$ 3,380,313</u>	<u>\$ 3,372,578</u>	<u>\$ 3,641,458</u>	<u>\$ 3,535,138</u>	<u>\$ 3,222,125</u>	<u>\$ 3,954,471</u>

The notes to the financial statement are an integral part of this statement.

TOWN OF LIBERTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF LIBERTY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, dog pound fees, emergency medical service fees, park rental fees, cable tv receipts, ordinance violations, fines and fees, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF LIBERTY
NOTES TO FINANCIAL STATEMENT
(Continued)

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

TOWN OF LIBERTY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Riverboat	Rainy Day	Levy Excess	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 640,119	\$ 232,354	\$ 8,817	\$ 103,715	\$ 69,556	\$ 1,549	\$ 33,337	\$ 258,094
Receipts:								
Taxes	424,115	46,563	-	-	-	-	-	9,905
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	196,475	132,448	6,844	12,898	-	-	5,919	1,765
Charges for services	34,744	1,620	-	-	-	-	-	-
Fines and forfeits	6,109	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	17,740	2,681	-	-	-	-	-	-
Total receipts	<u>679,183</u>	<u>183,312</u>	<u>6,844</u>	<u>12,898</u>	<u>-</u>	<u>-</u>	<u>5,919</u>	<u>11,670</u>
Disbursements:								
Personal services	339,611	110,895	-	-	-	-	-	-
Supplies	25,530	27,304	-	-	-	-	-	-
Other services and charges	212,996	9,229	-	-	-	-	-	-
Capital outlay	7,393	22,670	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	4,767	-	-	-	-	1,549	-	-
Total disbursements	<u>590,297</u>	<u>170,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,549</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>88,886</u>	<u>13,214</u>	<u>6,844</u>	<u>12,898</u>	<u>-</u>	<u>(1,549)</u>	<u>5,919</u>	<u>11,670</u>
Cash and investments - ending	<u>\$ 729,005</u>	<u>\$ 245,568</u>	<u>\$ 15,661</u>	<u>\$ 116,613</u>	<u>\$ 69,556</u>	<u>\$ -</u>	<u>\$ 39,256</u>	<u>\$ 269,764</u>

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Fire	Co Economic Development Income Tax	Donations	Township Fire	Continuing Education	Payroll	Wastewater Utility - Operating	Wastewater Utility - Bond And Interest
Cash and investments - beginning	\$ 129,021	\$ 557,854	\$ 1,530	\$ 80,166	\$ 4,179	\$ 1,777	\$ 90,341	\$ 269,512
Receipts:								
Taxes	6,603	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	690	-	-	-
Intergovernmental	1,177	57,001	-	-	-	-	-	-
Charges for services	1,450	-	-	92,268	75	-	-	-
Fines and forfeits	-	-	-	-	649	-	-	-
Utility fees	-	-	-	-	-	-	728,876	-
Penalties	-	-	-	-	-	-	13,461	-
Other receipts	-	-	5,342	1,185	-	532,334	52,345	370,282
Total receipts	9,230	57,001	5,342	93,453	1,414	532,334	794,682	370,282
Disbursements:								
Personal services	-	-	-	23,852	-	-	-	-
Supplies	-	-	-	11,969	14	-	-	-
Other services and charges	-	5,500	-	8,676	-	-	-	-
Capital outlay	-	-	-	9,324	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	347,518	-
Other disbursements	-	4,923	3,921	18,903	-	531,422	457,916	549,799
Total disbursements	-	10,423	3,921	72,724	14	531,422	805,434	549,799
Excess (deficiency) of receipts over disbursements	9,230	46,578	1,421	20,729	1,400	912	(10,752)	(179,517)
Cash and investments - ending	\$ 138,251	\$ 604,432	\$ 2,951	\$ 100,895	\$ 5,579	\$ 2,689	\$ 79,589	\$ 89,995

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewater Utility - Depreciation/ Improve	Wastewater Utility - Debt Reserve	Water Utility - Operating	Water Utility - Bond And Interest	Water Utility - Depreciation/ Improve	Water Utility - Customer Deposit	Water Utility - Debt Reserve	Totals
Cash and investments - beginning	\$ 100,684	\$ 293,232	\$ 112,760	\$ 85,837	\$ 354,825	\$ 105,416	\$ 99,048	\$ 3,633,723
Receipts:								
Taxes	-	-	21,352	-	-	-	-	508,538
Licenses and permits	-	-	-	-	-	-	-	690
Intergovernmental	-	-	-	-	-	-	-	414,527
Charges for services	-	-	-	-	-	-	-	130,157
Fines and forfeits	-	-	-	-	-	-	-	6,758
Utility fees	390	-	345,859	-	-	-	-	1,075,125
Penalties	-	-	2,280	-	-	-	-	15,741
Other receipts	16,273	74,078	10,392	99,002	34,203	12,918	2	1,228,777
Total receipts	16,663	74,078	379,883	99,002	34,203	12,918	2	3,380,313
Disbursements:								
Personal services	-	-	-	-	-	-	-	474,358
Supplies	-	-	-	-	-	-	-	64,817
Other services and charges	-	-	-	-	-	-	-	236,401
Capital outlay	53,791	-	-	-	22,319	-	-	115,497
Utility operating expenses	-	-	218,361	-	8,450	-	-	574,329
Other disbursements	-	-	148,694	174,684	-	10,598	-	1,907,176
Total disbursements	53,791	-	367,055	174,684	30,769	10,598	-	3,372,578
Excess (deficiency) of receipts over disbursements	(37,128)	74,078	12,828	(75,682)	3,434	2,320	2	7,735
Cash and investments - ending	\$ 63,556	\$ 367,310	\$ 125,588	\$ 10,155	\$ 358,259	\$ 107,736	\$ 99,050	\$ 3,641,458

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road And Street	Housing Grant	Riverboat	Rainy Day	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 729,005	\$ 245,568	\$ 15,661	\$ -	\$ 116,613	\$ 69,556	\$ 39,256	\$ 269,764
Receipts:								
Taxes	397,569	55,343	-	-	-	-	-	9,082
Licenses and permits	1,335	-	-	-	-	-	-	-
Intergovernmental	219,555	127,798	6,936	232,531	12,635	-	5,657	1,534
Charges for services	34,784	1,141	-	-	-	-	-	-
Fines and forfeits	2,975	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	15,592	1,379	-	-	-	-	-	-
Total receipts	<u>671,810</u>	<u>185,661</u>	<u>6,936</u>	<u>232,531</u>	<u>12,635</u>	<u>-</u>	<u>5,657</u>	<u>10,616</u>
Disbursements:								
Personal services	376,609	114,291	-	-	-	-	-	-
Supplies	29,986	17,112	-	-	-	-	-	857
Other services and charges	216,114	10,048	-	-	-	-	-	-
Capital outlay	11,436	39,542	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	5,599	-	-	232,531	-	-	-	-
Total disbursements	<u>639,744</u>	<u>180,993</u>	<u>-</u>	<u>232,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>857</u>
Excess (deficiency) of receipts over disbursements	<u>32,066</u>	<u>4,668</u>	<u>6,936</u>	<u>-</u>	<u>12,635</u>	<u>-</u>	<u>5,657</u>	<u>9,759</u>
Cash and investments - ending	<u>\$ 761,071</u>	<u>\$ 250,236</u>	<u>\$ 22,597</u>	<u>\$ -</u>	<u>\$ 129,248</u>	<u>\$ 69,556</u>	<u>\$ 44,913</u>	<u>\$ 279,523</u>

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cumulative Fire	Co Economic Development Income Tax	Donations	Township Fire	Continuing Education	Payroll	Wastewater Utility - Operating	Wastewater Utility - Bond And Interest
Cash and investments - beginning	\$ 138,251	\$ 604,432	\$ 2,951	\$ 100,895	\$ 5,579	\$ 2,689	\$ 79,589	\$ 89,995
Receipts:								
Taxes	6,065	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	480	-	-	-
Intergovernmental	1,024	64,215	-	-	-	-	-	-
Charges for services	3,700	-	-	80,608	175	-	-	-
Fines and forfeits	-	-	-	-	829	-	-	-
Utility fees	-	-	-	-	-	-	770,503	-
Penalties	-	-	-	-	-	-	15,053	-
Other receipts	-	-	6,725	2,661	-	547,261	2,957	369,210
Total receipts	10,789	64,215	6,725	83,269	1,484	547,261	788,513	369,210
Disbursements:								
Personal services	-	-	-	23,294	-	-	-	-
Supplies	-	-	6,379	5,530	80	-	-	-
Other services and charges	-	6,841	-	9,514	-	-	-	-
Capital outlay	-	-	-	9,745	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	315,009	-
Other disbursements	-	4,000	-	-	-	546,175	372,680	365,220
Total disbursements	-	10,841	6,379	48,083	80	546,175	687,689	365,220
Excess (deficiency) of receipts over disbursements	10,789	53,374	346	35,186	1,404	1,086	100,824	3,990
Cash and investments - ending	\$ 149,040	\$ 657,806	\$ 3,297	\$ 136,081	\$ 6,983	\$ 3,775	\$ 180,413	\$ 93,985

TOWN OF LIBERTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wastewater Utility - Depreciation/ Improve	Wastewater Utility - Debt Reserve	Water Utility - Operating	Water Utility - Bond And Interest	Water Utility - Depreciation/ Improve	Water Utility - Customer Deposit	Water Utility - Debt Reserve	Totals
Cash and investments - beginning	\$ 63,556	\$ 367,310	\$ 125,588	\$ 10,155	\$ 358,259	\$ 107,736	\$ 99,050	\$ 3,641,458
Receipts:								
Taxes	-	-	21,082	-	-	-	-	489,141
Licenses and permits	-	-	-	-	-	-	-	1,815
Intergovernmental	-	-	-	-	-	-	-	671,885
Charges for services	-	-	-	-	-	-	-	120,408
Fines and forfeits	-	-	-	-	-	-	-	3,804
Utility fees	-	-	346,969	-	-	-	-	1,117,472
Penalties	-	-	2,443	-	-	-	-	17,496
Other receipts	1,200	3,081	1,660	98,340	32,440	30,611	-	1,113,117
Total receipts	1,200	3,081	372,154	98,340	32,440	30,611	-	3,535,138
Disbursements:								
Personal services	-	-	-	-	-	-	-	514,194
Supplies	-	-	-	-	-	-	-	59,944
Other services and charges	-	-	-	-	-	-	-	242,517
Capital outlay	8,389	-	-	-	17,423	-	-	86,535
Utility operating expenses	-	-	194,561	-	-	-	-	509,570
Other disbursements	-	-	156,616	98,217	-	28,327	-	1,809,365
Total disbursements	8,389	-	351,177	98,217	17,423	28,327	-	3,222,125
Excess (deficiency) of receipts over disbursements	(7,189)	3,081	20,977	123	15,017	2,284	-	313,013
Cash and investments - ending	\$ 56,367	\$ 370,391	\$ 146,565	\$ 10,278	\$ 373,276	\$ 110,020	\$ 99,050	\$ 3,954,471

TOWN OF LIBERTY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 23,691	\$ 2,920
Wastewater	282	67,962
Water	549	25,142
Totals	\$ 24,522	\$ 96,024

TOWN OF LIBERTY
SCHEDULE OF DEBT
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue bonds	Wastewater Imp. Project 2.65% Int.	\$ 4,367,000	181,863
Water:			
Revenue bonds	Water Bonds 2000 Int. rate of 2.9%	506,000	7,337
Revenue bonds	Water Bonds 2009 Int. rate of 3.63%	<u>685,477</u>	<u>12,441</u>
Total Water		<u>1,191,477</u>	<u>19,778</u>
Totals		<u>\$ 5,558,477</u>	<u>\$ 201,641</u>

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TOWN OF LIBERTY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 5,000
Infrastructure	527,850
Buildings	195,837
Improvements other than buildings	285,977
Machinery, equipment, and vehicles	1,015,485
Total governmental activities	2,030,149
Wastewater:	
Land	71,666
Buildings	1,193,430
Improvements other than buildings	4,022,711
Machinery, equipment, and vehicles	2,437,809
Total Wastewater	7,725,616
Water:	
Land	24,241
Buildings	166,083
Improvements other than buildings	4,037,398
Machinery, equipment, and vehicles	208,742
Total Water	4,436,464
Total capital assets	\$ 14,192,229

TOWN OF LIBERTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2013, with Cheryl Begley, Clerk-Treasurer, and Ross Keasling, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.